

May 24, 2019

Shelby County Schools
ATTN: Board Members
160 S. Hollywood Street
Memphis, TN 38112

Re: Non-Binding Letter of Intent to Lease 1880 Prospect Street, Memphis, TN 38106.

Shelby County Schools Board Member:

This letter is written to express the intentions of my client, Progressive Investments Group (PIG) to lease the property located at 1880 Prospect Street, Memphis, TN 38106 as it is the only property available by your district that has not been vandalized extensively. PIG would like to secure a lease and begin to occupy this property expeditiously to reduce the risk of the subject property being ransacked beyond repair and deemed inhabitable. If the terms outlined below are acceptable, then we would engage legal counsel to draft a lease agreement reflecting such along with other customary standards for you to review. If you do not concur, please respond with your points of negotiation.

Proposed Usage: Tennessee State Licensed Child Caring Facility

Summarization of Proposed Usage: The site will be used to provide shelter and educational services to youth through age 17. Proposed lessee would have exclusive use of the all buildings, facilities, fields, and parking areas on the campus and right to sublease to one organization, The Baptiste Group. This organization has secured federal funding to provide the aforementioned services. Please reference the attached letter of introduction for additional information on their proposed use of the facilities and campus. The award letter from the Department of Health and Human Services is also attached.

Lease Period (Tentative): Lease purchase term would commence upon the expiration of the due diligence period for 72 months beginning July 1, 2019-June 30, 2025. During the last six months of the lease term, lessor shall be permitted to show prospective lessee/buyer the premises but only with the consent and escorts of the lessee. Upon expiration, lease shall be month-to-month at a 10% greater cost than the monthly rent at the end of the lease. Lessor/lessee notice for vacancy is negotiable. Lessee will be responsible for securing and maintaining building, property, and liability insurance. PIG is willing to include an indemnification and other provisions that would hold the school board harmless as part of the agreement.



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Repairs, Maintenance, and Modifications: The lessee will be responsible for maintaining all aspects of the premises (landscaping, waste disposal, janitorial services, etc.) upon commencement of the lease agreement and expiration of the due diligence. Heating and plumbing lines, etc. are negotiable. Lessee (at its own expense) will periodically inspect for mold and notify the lessor if present for remediation. The lessee may need to make plumbing modifications and other changes to the structure as agreed upon in writing. These changes will be financed by the lessee. Lessee will pay all utilities expenses associated with the subject property.

Deposit/Rent: Deposit in the amount of \$30,000. This deposit shall be fully refundable if lessee fulfills lease obligations. Deposit will be paid at the conclusion of the due diligence period. Rent shall be paid at \$15,000 per month for 72 months for a total of \$180,000 annually. Payment obligations by lessee will only cease upon written notice of federal funding elimination for the project.

Due Diligence Period: Period will expire 21 days after receiving written approval for the appropriate zoning required for the proposed usage. Lessee may reduce the number of due diligence days if inspections, etc. are found to be satisfactory before that period has elapsed.

Personal Property: Lessee may request that the following items remain on-site if available: cafeteria tables, student desks, chairs, books, file cabinets, projectors and screens.

Applications for Modifications: Zoning Approval for Proposed Usage; permits as required and agreed upon in writing for any plumbing and/or desired structural changes.

Thank you for your time and thoughtful consideration of my client's proposal. My client is poised to negotiate a contract for the mutual benefit of both parties. I will be in touch in the coming days to discuss any questions about the terms that you may need clarified. If you should have questions before then, you may reach me at (404) 840-7592 or mecowilson@gmail.com. I look forward to speaking with you soon.

Kindest Regards,

Meco Wilson, M.Ed.